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Business Journal****Exclusive Reports**

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Foss alarm**Non-union unit sparks tug of war over jobs****Steve Wilhelm** Staff Writer

Waterfront unions are fighting with Foss Maritime Corp. because it is employing a tactic they despise: shifting tugboat work previously done by union workers to a less expensive, non-union subsidiary.

Known in union circles as "double-breasting," the practice is especially piercing to labor leaders because it's happening on Seattle's waterfront, the very birthplace of the Northwest's labor movement near the beginning of the century. The issue isn't formally on the table in current contract bargaining between Foss and its workers, but union leaders say it has set the tone of the negotiations expected to end this week.

At 110, Seattle-based Foss Maritime Corp. is the oldest vessel operator in Washington, with a fleet of more than 100 tugs and a staff of about 1,100. It is owned by Saltchuk Resources Inc., a local maritime company that also owns Totem Ocean Trailer Express, a Tacoma-based ocean carrier serving Alaska. Foss' annual revenues are more than \$150 million.

Foss acquired the non-union subsidiary, Sea Coast Towing Inc., as part of its 1993 purchase of Brix Maritime Co., a Portland tug company. Foss and Sea Coast operate independently, with separate offices and executives, although they are under common ownership. Sea Coast operates 14 tugs.

Foss executives say Brix's growing strength only reflects a market reality: Increasing number of non-union tug companies are increasing competition in some sectors of the tug industry, and forcing Foss to respond in kind. Non-union companies are adding tugs, and are thriving in business areas including commodity movements, some petroleum operations and much of the Alaska-related work.

"That market has grown to a greater extent than the market the organized (unionized) companies are serving," said Tom Van Dawark, Foss Maritime's president. "There are two markets out there, that have bifurcated themselves over five years."

Union operations still retain a virtual monopoly in the other major market for tugs, ship assists and tanker escorts. This is partly because the powerful International Longshore and Warehouse Union would mightily resist any non-union incursions into that market, and partly because any differences between union and

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non-union wages are minuscule compared to the costs of operating and serving large ocean carriers.

But for Dave Freiboth, national president of the Inland Boatmen's Union of the Pacific, the growth of Foss Maritime's non-union Sea Coast subsidiary in other markets is a moral and strategic threat.

"It's wrong, it's just wrong what they're doing. They're dealing with their employees as a commodity," he said. "If they're noncompetitive, they'll just go out and bid with their non-union entity. It's insidious."

Sea Coast Towing president Bob Dorn did not respond to several phone calls.

David Olson, a University of Washington professor and labor expert, said the fight is "very significant," given Foss' stature as industry leader and its history of harmonious labor relations.

"This is an arrow pointed at the heart of organized trade unions," Olson said. "There are certain kinds of basic principles that unions will dig their heels in on, because they are central to what they do and how they do it, and this is one."

The Foss fight parallels another higher-profile struggle over a form of double-breasting at American Airlines. There unionized American pilots have been protesting the carrier's efforts to maintain non-union status for the pilots of recently acquired subsidiary Reno Air.

In both the Foss and the American Airlines situation, the unions are "concerned about losing their jobs and jeopardizing the integrity of the wage structure," said Gary Chaison, professor of industrial relations at Clark University in Worcester, Mass. "Employers are asking for concessions from unions, to be able to compete."

Foss Maritime's Van Dawark contends a unionized tug has labor costs about \$800 to \$1,000 per day higher than a non-union one. While the union says it wants to collaborate with the company to keep it competitive, Van Dawark said those efforts have not so far borne fruit.

"We've tried to find areas where work rules could be relaxed, where we could better compete with non-union companies. There have been a few successes in those areas, but not a lot," he said.

Double-breasting was a central theme at a spirited April 1 waterfront labor rally, which also included members of the ILWU, Teamsters and machinists. Several of the speakers, standing aboard the International Transport Workers' Federation ship Global Mariner, exhorted the crowd of 1,000 to maintain solidarity against what they perceive as erosion of their traditional areas of strength.

"We know there are workers working these docks, at the richest port in the world, that can't put food on the table" said Ron Judd, executive secretary of the King County Labor Council.

Freiboth, another of the key speakers, pointed directly at the struggle with Foss. "Foss Maritime is engaged in a program of union-busting that has escalated. They're doing our work, with non-union employees," he said.

The IBU is in contract negotiations with Foss, but the double-breasting issue isn't formally on the table. That's because Sea Coast is a legal subsidiary, and therefore outside of the union's contract with Foss. The negotiations, under way since the early fall of 1998, are focusing on more standard issues of wages and manning.

But to the workers, who contend they're already losing work that Foss is transferring to Sea Coast, double breasting is the core issue.

"It affects every aspect of negotiations, it's impacting the confidence the employees have in the company," said Freiboth, adding that it could easily influence workers' vote on Foss Maritime's final contract offer.

The union has set a negotiating deadline of April 23, at which point they intend to take whatever's on the table to the membership.



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